IPO REVIEW

Antala Industries IPO

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- The company is in the business of manufacturing, processing, printing, laminating and supplying comprehensive range of industrial and commercial packaging products.
- The company is operating in a highly competitive and fragmented segment.
- It posted growth in its top and bottom lines for the reported periods.
- Based on its recent average financial data, the IPO appears fully priced.
- Well-informed investors may park funds for long term.

About the Company

Antala Industries Ltd. (AIL) is engaged in the business of manufacturing, processing, printing, laminating and supplying a comprehensive range of industrial and commercial packaging products. The Company specializes in the manufacture of BOPP bags, BOPP Printing Roll, BOPP lamination Roll, PP woven bags, PP Woven Fabrics Roll.

The Company provides customized packaging solutions to customers operating across various sectors such as food processing, fertilizers, chemicals, cement, seeds, etc. Its packaging products are designed to provide strength, durability, moisture resistance, enhanced shelf appeal and high-quality printability, enabling customers to effectively package, transport and market their products.

The Company operates an integrated manufacturing facility located at Rajkot, Gujarat, equipped with extrusion, coating and lamination, rotogravure printing, roll-to-roll multi-colour printing, stitching and finishing infrastructure. The integrated nature of its operations enables the Company to undertake the process in-house, beginning from printing, lamination, cutting, stitching, finishing and packaging of the final product. This integrated manufacturing setup allows the Company to maintain quality standards, optimize production efficiencies and deliver customized packaging solutions in a timely manner.

The Company possesses capabilities in multicolour rotogravure and flexographic printing, enabling it to offer visually appealing and brand-focused packaging solutions tailored to customer specifications. Its design and product development capabilities assist customers in enhancing product visibility and brand recognition through innovative packaging formats and customized printing solutions.

The Company places significant emphasis on quality control and customer satisfaction and undertakes manufacturing processes in accordance with established quality management practices. The Company also maintains high standards of product quality, operational efficiency and customer service through continuous process improvements and adherence to quality assurance systems.

Further, the Company also holds certifications such as ISO 9001:2015, ISO 14001:2015, ISO 22000:2018 and ISO 45001:2018 reflecting Quality Management System, driven by its commitment to deliver work that meets project-specific standards and specifications for materials, workmanship and timelines. AIL, is engaged in the manufacturing of woven packaging products and BOPP products for various industrial and commercial applications. As of September 30, 2026, it had 11 employees on its payroll.

Issue Details / Capital History

The company is coming out with its maiden book building route IPO of 3482000 equity shares of Rs. 10 each to mobilize Rs. 23.33 cr. at the upper cap. The company has announced a price band of Rs. 63 – Rs. 67 per share. The minimum application to be made is for 4000 shares and in multiples of 2000 shares thereon, thereafter. The issue opens for subscription on October 29, 2026 and will close on or before November 02, 2026. The shares will be listed on BSE SME. The IPO constitute 28.64% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 10.68 cr. for working capital, Rs. 5.89 cr. for capex on purchase of machinery, and the rest for general corporate purposes.

The IPO is solely lead managed by Vatsa Capital Venture Pvt. Ltd., while Bigshare Services Pvt. Ltd. is the registrar to the issue. Asnani Stock Broker Pvt. Ltd. Is a market maker.

After issuing initial equity capital at par value, the company issued further equity shares in the price range of Rs. 15.45 – Rs. 95.00, per share between September 2024, and May 2026. It has also issued bonus shares in the ratio of 21 for 50 in October 2024. The average cost of the acquisition of shares by the promoters is Rs. 7.04, Rs. 12.62, Rs. 13.61, Rs. 15.42, Rs. 15.45, Rs. 29.06, and Rs. 34.82 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 8.67 cr. (8674736 equity shares) will stand enhanced to Rs. 12.16 cr. (12156736 equity shares). Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 81.45 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 19.44 cr. / Rs. 1.20 cr. (FY24 – two broken periods), Rs. 25.13 cr. / Rs. 1.50 cr. (FY25), Rs. 47.53 cr. / Rs. 4.24 cr. (FY26). For H1 of FY27 ended on September 30, 2026, it earned a net profit of Rs. 4.19 cr. on a total income of Rs. 30.20 cr. Its trade receivables stood at Rs. 8.37 cr. as of September 30, 2026. The company posted growth in its top and bottom lines from FY26 onwards. Bumper profits in a pre-IPO period appears window dressing to fetch fancy valuations for IPO.

For the last three fiscals, the company has reported an average EPS of Rs. 6.53 and an average RoNW of 21.82%. The issue is priced at a P/BV of 3.24 based on its NAV of Rs. 20.67 per share as of March 31, 2026 , and at a P/BV of 2.02 based on its post-IPO NAV of Rs.33.20 per share at the upper

cap.

Surprisingly, the company has shown its average EPS of Rs. 6.53 with inclusion of September 30, 2026 period EPS (refer page 101 of the offer document), and also its RoNW working has included September 30, 2026 period working (refer page 102 of the offer document, while its NAV data is as of March 31, 2026 (refer page no. 103 of the offer document).

If we attribute FY27 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 9.72, and based on FY26 earnings, the P/E stands at 19.25. The issue appears fully priced based on its recent average earnings.

The company has posted PAT Margins of 5.86% (FY24), 6.00% (FY25), 8.94% (FY26), 13.90% (H1-FY27), and RoCE margins of 21.89%, 32.39%, 42.23%, 26.61%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends for the reported periods of the offer document. It has already adopted a dividend policy in July 2026, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Knack Packaging, Dhaval Packaging, as its listed peers. They are currently trading at a P/E of 24.5, and 18.3 (as of October 26, 2026). However, they are not truly comparable on an apple-to-apple basis. This comparison appears as an eye-wash.

Merchant Banker's Track Record

This is the maiden mandate from Vatsa Capital Venture Pvt. Ltd. It has not past track record.

Conclusion / Investment Strategy

AIL is in the business of manufacturing, processing, printing, laminating and supplying comprehensive range of industrial and commercial packaging products. There has been some garble in the offer document data for EPS/NAV info. The company is operating in a highly competitive and fragmented segment. It posted growth in its top and bottom lines for the reported periods. Inflated financial performance in a pre-IPO period (i.e., H1-FY27) raise eyebrows and concern over its sustainability. Based on its recent average financial data, the IPO appears fully priced. Well-informed investors may park funds for long term.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

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